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The **FEDERAL CROP INSURANCE CORPORATION**

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123,398 GROWERS NOW INSURED

AGAINST CROP FAILURE IN 1940

With application deadlines only one day away in some of the winter wheat States and a couple of weeks away in others, reports received in the branch offices of the Corporation indicated that up to September 14, 123,398 paid-up applications for "all-risk" crop insurance on the 1940 winter wheat harvest had been written. More than 32,000 Nebraska growers, with figures still incomplete, have already paid their premiums this year as compared to a total sign-up in that State last year of 13,250. Many other states, where figures are less complete, had nearly doubled their total last year's business up to September 14.

Although nearly twice as many applications have been reported from Nebraska, the leading State in this respect, as have been reported from Kansas, the runner-up, the latter State has added 1,576,425 bushels to the insurance reserve as compared with 1,225,606 bushels for Nebraska. Total premium payments up to September 14 represented 4,462,785 bushels, insuring a substantial part of a normal harvest on 3,222,513 acres for a total production of 30,555,920 bushels.

Complete figures by States on the status of the application phase of the 1940 program are tabulated on the next page.

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HAIL HITS WYOMING FARM;

BUT OWNER RECEIVES \$620

On July 6 a hailstorm hit and practically destroyed 161 acres of wheat for Art N. Dellit of Big Horn, Wyo. Ordinarily the money, time and effort spent to plant this acreage would have been a total loss, but Mr. Dellit got a check for \$620.82 from the Federal Crop Insurance Corporation because he paid a premium of 1.8 bushel an acre last fall to insure his crop against all such unavoidable hazards. Joe Prochaska, county supervisor and adjuster, said that a number of other claims for indemnities had been made in Sheridan County, but that Mr. Dellit's was the first and the largest hail indemnity to be paid in Wyoming.

"I am well satisfied with the adjustment," Dellit said, "particularly with the fairness of the appraisal of the loss and the speed with which I received my indemnity check." Mr. Dellit paid his premium with 290 bushels of wheat, the equivalent of \$114.25 in cash. His adjusted average yield was 15.8 bushels an acre.

Combined report on 1940 applications from the branch offices, as of
September 14, 1939

STATE	Number of applications received	Premium payments in bushels	Insured acreage (Estimated)	Insured production (Estimated)
<u>Washington Branch</u>				
New York	437	3,059	4,216	60,477
New Jersey	49	269	538	8,150
Pennsylvania	1,976	12,468	23,911	374,549
Maryland	57	627	1,254	17,106
Delaware	1	20	40	456
Virginia	20	223	446	5,246
North Carolina	17	89	178	1,832
Total - - - - -	2,557	16,755	30,583	467,816
<u>Chicago Branch</u>				
Ohio	13,701	150,407	133,289	1,847,067
Indiana	14,770	161,335	161,276	2,042,252
Illinois	6,204	101,042	102,023	1,252,324
Michigan	9,685	55,850	77,524	1,110,854
Iowa	2,977	41,525	38,768	514,082
Kentucky	100	2,460	2,246	22,987
Tennessee	19	165	287	2,394
Total - - - - -	47,455	512,784	515,413	6,798,960
<u>Kansas City Branch</u>				
Missouri	7,870	101,662	132,924	1,337,065
Nebraska	32,085	1,225,606	735,809	7,596,399
Kansas	17,989	1,576,425	1,073,898	8,441,940
Oklahoma	5,444	207,357	237,077	2,080,245
Texas	2,570	335,633	208,886	1,502,550
Colorado	1,450	135,641	76,571	495,495
New Mexico	1	1,628	857	3,405
Total - - - - -	67,389	3,583,952	2,466,022	21,457,099
<u>Spokane Branch</u>				
Idaho	143	14,457	9,322	184,520
Utah	33	2,644	2,412	23,365
Oregon	197	30,848	25,038	275,922
Washington	171	5,999	10,247	166,386
Total - - - - -	544	53,948	47,019	650,193
<u>Minnesota Branch</u>				
Minnesota	2,576	26,811	26,081	310,796
Montana	154	41,780	22,772	189,853
North Dakota	2	594	349	1,965
South Dakota	2,194	195,324	93,023	536,158
Wisconsin	312	1,810	1,914	22,356
Wyoming	191	29,027	19,337	120,724
Total - - - - -	5,453	295,346	163,476	1,181,852
<u>GRAND TOTAL - - -</u>				
	123,398	4,462,785	3,222,513	30,555,920

CENTRAL GRAIN OFFICE

IS SET UP IN CHICAGO William A. Talbot, former manager of the Kansas City branch office, has been placed in charge of the new central grain office in Chicago. As manager of this office Mr. Talbot will have general direction over all grain operations of the Corporation, involving accumulation and storage of supplies of wheat for the insurance reserve. Arthur M. Cummings is now the acting manager of the Kansas City office which serves the States of Nebraska, Kansas, Colorado, Missouri, New Mexico, Oklahoma, Texas and Arkansas.

With establishment of the central grain office in Chicago the former sub-branch office at Spokane, Wash., was raised to the status of a branch office to serve the States of Washington, Oregon, Idaho, California, Nevada, Utah and Arizona. Charles E. Johnson, who was in charge of the sub-branch, is the acting manager. The Minneapolis office, managed by John H. Fraser, now serves the States of Montana, Wyoming, North Dakota, South Dakota, Wisconsin and Minnesota. The Chicago branch office, of which S. E. Purvines is the manager, serves the States of Iowa, Illinois, Indiana, Ohio, Michigan, Kentucky and Tennessee; and the Washington branch office, with Richard F. Cook as acting manager, serves the States of New York, Pennsylvania, West Virginia, Virginia, Maryland, Delaware, New Jersey and North Carolina.

The present setup gives the Corporation a branch office in each wheat-growing region of the country, and should greatly facilitate the handling of all work that flows through the county and State offices to the branch offices.

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FCI INTEREST INCREASES

IN STATE OF WASHINGTON Upon completion of a series of district meetings in his State, Henry B. Ramsey, chairman of the Washington State Committee, says that response received from committeemen and visiting farmers was excellent. He also comments on the increased interest in the crop insurance program, especially in counties where losses have been adjusted. "It is believed that many farmers, although they haven't experienced a loss, will accept the program, as they feel that the satisfaction of knowing their wheat crop will not fail is worth considerable. During May, the weather was very dry and hot. Many farmers were worried as they surveyed their wheat fields needing rain and cool weather. The farmers who had policies felt secure while their neighbors who did not have this protection were very uneasy."

Mr. Ramsey says that the loss adjustment phase of the program has been very satisfactory. "When losses have occurred the adjustments have been handled satisfactorily to all parties concerned. We know of no farmer who experienced a loss who is not well satisfied with his settlement. We feel that we will have at least twice as many policies in our state in 1940 as we had in 1939. As conditions are at the present time (August 30), we feel that the peak for writing insurance in our state will be reached about October 1."

INDEMNITY BUSHELS EXCEED

5,000,000 ON SEPTEMBER 12 With crop insurance settlements nearly completed in the winter wheat areas and well under way for spring wheat farmers, a total of 26,445 indemnities had been paid as of September 12. These payments have gone to growers in more than 900 counties, about three-fourths of all the counties in which policies were written in 1939. In bushels, indemnities paid amount to 5,119,772; in cash equivalent, \$2,619,706.64.

Of high-ranking States from the standpoint of the number of indemnified growers, the highest are Nebraska, Kansas, Oklahoma, and South Dakota with 6,299, 3,773, 2,707, and 2,539, respectively. From the standpoint of bushels, Kansas is ahead with 1,230,537. Texas, Nebraska, and South Dakota follow with 990,474, 926,973, and 531,000 bushels, respectively. The latest tabulation on indemnity payments to all States is as follows:

Indemnity Report by States, as of September 12, 1939

State	Number of indemnities paid	Number of bushels	Cash equivalent
New York	19	1,914	\$ 1,199.52
New Jersey	3	170	116.82
Pennsylvania	43	2,120	1,209.12
Maryland	113	5,455	3,526.82
Delaware	7	353	237.29
Virginia	28	2,149	1,596.91
Illinois	748	47,488	26,956.63
Indiana	1,598	95,704	56,999.29
Michigan	457	19,817	11,294.47
Ohio	999	58,889	36,347.80
Minnesota	152	20,700	12,109.66
Montana	66	28,924	12,449.14
North Dakota	236	52,634	27,611.68
South Dakota	2,539	531,000	276,244.84
Wisconsin	24	1,893	1,192.70
Idaho	15	3,788	1,354.50
Oregon	58	37,728	20,028.41
Washington	51	19,750	9,879.45
California	339	219,766	141,346.49
Colorado	338	93,642	39,443.60
Idaho	13	2,717	1,079.76
Iowa	1,320	93,478	45,564.27
Kansas	3,773	1,230,537	601,376.30
Missouri	2,105	135,903	69,873.86
Nebraska	6,299	926,973	451,515.28
Nevada	5	942	472.09
New Mexico	11	4,463	2,068.37
Oklahoma	2,707	447,717	228,202.32
Texas	2,271	990,474	522,186.56
Utah	32	14,509	5,210.05
Wyoming	76	28,175	11,012.64
Total - - - - -	26,445	5,119,772	\$2,619,706.64

HESSIAN FLY MENACE

IS WORSE THAN USUAL

Recent surveys of the Federal Bureau of Entomology and Plant Quarantine and State Experiment Stations, show that the Hessian fly menace is worse than usual this year in many wheat-growing localities of Pennsylvania, Ohio, Indiana, Illinois, Missouri, southern Iowa, southeastern Nebraska, and eastern Kansas. The survey also shows that conditions have been favorable to increase the number of these flies since harvest, especially in areas where there has been enough rain to encourage the growth of volunteer wheat.

Because of the bearing that insect damage has on the crop insurance program, it is vitally important that crop insurance workers do everything possible to encourage farming practices in their respective communities that will tend to lessen or eliminate wheat crop losses caused by the Hessian fly. One of the best precautions is to plant within the safe planting period for the area in question, the date of which can be obtained from local county agents or State Experiment Stations. Another helpful measure is to plow under wheat stubble and volunteer wheat before the flies come out because this residue and growth is the hiding place of flies that will come out and lay eggs for a new generation.

Much can be done by county insurance workers, where the Hessian fly is a threat to the wheat crop, in letting growers know of the necessity for cooperation in control measures in order that they may not be deprived of crop insurance protection due to their own negligence. Growers should also be encouraged to realize that it is to their advantage to maintain the highest possible insurable yields.

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OREGON FARMERS SEE NEED

FOR WHEAT CROP INSURANCE

Mr. N. C. Donaldson, State executive assistant for Oregon, reports from his section of the country that considerably more interest has been shown by farmers in the 1940 crop insurance program than was evidenced in the program for 1939.

This increased interest, he says, should be attributed to the fact that loss adjustments have been well scattered over several of the wheat counties and have been a strong point in favor of crop insurance; the hail and wind storm that hit Morrow and Gilliam counties during July caused many wheat farmers to see the necessity of taking out crop insurance; and, he says, "We have endeavored to make a good many contacts among the leading wheat growers and also among county and community committeemen, so that they will understand the program better and encourage their neighbors and fellow farmers to take out crop insurance. We already have several of the larger farmers in the wheat counties lined up to sign applications." Mr. Donaldson said that toward the end of August they had, among others, three applications signed in Gilliam County for 3,200, 600, and 500 acres each.

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INDIANA INDEMNITIES

Wheat growers in Indiana are now realizing on the protection of crop insurance policies they took out last fall. As of September 1, 911 indemnities had been paid by the Corporation. Total indemnities amounted to 60,316 bushels of wheat.

INDIANA CROP INSURANCE

CAMPAIGN IN FULL SWING

Charles B. Gregory, crop insurance supervisor for Indiana, wasted no time in promoting the 1940 wheat crop insurance campaign in his State. During two weeks of August he held ten district meetings in different parts of Indiana to discuss with county committees the progress being made in the field and other matters pertinent to crop insurance. All of the meetings began at 10 a. m. and lasted as long as necessary. Some of them lasted the entire day. In addition, Charlie has talked crop insurance over an Indianapolis radio station, and during August addressed two groups of people at night meetings. These district instructional meetings will continue as long as there is need for them. Gregory reports that these meetings and radio talks are producing results with farmers, and that the county committees are "hitting the ball" in turning in crop insurance applications for the "Hoosier" State. As of September 14, about 15,000 Indiana wheat growers had applied for all-risk insurance on their 1940 harvests.

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DROUGHT IS MAJOR CAUSE

OF WHEAT LOSS IN TEXAS

A preliminary study of the causes of wheat crop losses in Texas shows that drought was the primary cause of approximately 65 percent of the damage. Out of a total of 376,384 insured acres in Texas last year, the crop on 214,265 acres was either wholly or partially destroyed. For this loss claims have been approved for payment. The following tabulation shows which hazards took their toll on the Texas wheat crop and the percentage of damage done by each:

<u>Cause of loss</u>	<u>Percent</u>	<u>Cause of loss</u>	<u>Percent</u>
Wind and drought	32.1	Drought and insects	2.0
Drought	27.7	Wind	1.4
Drought and sand	23.4	Wind and insects	1.4
Drought and weeds	7.4	Footrot, wind, and	
Drought and hail	4.5	drought	0.1

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WEATHER REPORT

The Weather Bureau's bulletin for the week ending September 12 had this to say about the weather in several of our most important winter wheat states: Kansas -- unfavorably hot; little rain; soil moisture badly depleted; dust storms in west third some days; wheat-sowing at standstill; pastures dry and turning brown all areas. Missouri -- unfavorably hot and dry; soil moisture badly depleted; too dry for plowing; hot, dry winds caused much damage to all late crops; water short on many farms and situation becoming critical in some areas. Nebraska -- drought becoming severe; hot winds 3 days; soil too dry for seeding winter wheat; pastures dry and brown.

Reports like this are, of course, as old as the hills. They always have been one of Old Man Weather's theme songs and a dirge to the tiller of the soil. With the 1939 wheat harvest, however, the wheat grower can protect himself against the effects of bad weather as evidenced by the fact that more than 26,000 indemnity payments have been made so far representing over 5 million bushels of wheat.

CROP INSURANCE IS DOING ITS JOB

Now that thousands of "all-risk" crop insurance indemnities have been paid, proof in abundance prevails to show that those whom the crop insurance act was intended to help are satisfied with the way it works. The following are a few testimonials from indemnified Indiana wheat growers:

TO ASSIST OTHERS - - Here are the opinions regarding crop insurance of Leland S. Barkley and George Jean of Bloomfield, Ind., who jointly own a farm in Greene County: "Owning ground in river bottoms and feeling protection was needed, Federal crop insurance was procured as a protection both for ourselves if we were unfortunate, and to assist others if we happened not to need it. Unfortunately a total crop loss was incurred and reported. We promptly received inspection and within a short time received money in full for our loss."

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OFFSETS SEEDING EXPENSE - - "I am well pleased with my wheat crop insurance this year," says Loren R. Thomas, owner of a farm in Sullivan County, Ind. "I had a total loss on my 75 acres of wheat. My insurance check more than offset any expense involved in seeding this wheat, and it will tend to help me until I harvest another crop."

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50 PERCENT COVERAGE - - Paul Wible of Sullivan, Ind., insured his wheat acreage last year for 50 percent of a normal harvest, his insured production amounting to 852 bushels. He makes the following statement: "I'm tickled to death with my crop insurance. I had insurance on 852 bushels of wheat, which represented 50 percent of my crop. It was all river bottom land. If it had not been for crop insurance, I would not have anything. I hope they will have insurance for other crops in the near future. I lost almost all of my corn and soybeans last year."

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RECOMMENDS INSURANCE PRINCIPLE - - John S. McFadden, retired attorney of Rockville, Ind., who owns a farm in Parke County along the Wabash River, and his tenant, Vorrill Robertson, have each received indemnity payments of \$159.81 because their wheat crop was destroyed by flood. Mr. McFadden says: "We had our wheat in river bottoms. The crop was a total loss resulting from floods of the Wabash River. Notification was sent in and was quickly adjusted as a total loss. The total damage as stipulated in the policy was promptly paid . . . We unhesitatingly recommend the principle involved in this insurance and the way in which this loss was adjusted and paid."

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RIVER GOT CORN AND WHEAT - - Here's what L. L. Platter, retired farmer of Rockville, Ind., says about crop insurance: "I like Federal Crop Insurance just fine. I would have been out of luck without it. I wish I had it for corn. I had a total loss on wheat and I was paid for a total loss. Of course, I'd rather have had my wheat. Last year the river got both my corn and wheat, but this year the insurance protected me on my wheat. I think crop insurance is mighty fine."

QUESTION BOX

QUESTION 1: In settling losses, will growers be required to harvest crops which obviously will not return the cost of harvest?

ANSWER: Where the crop is damaged so badly early in the growing season that farmers generally in the area would not further care for the crop for wheat production, it may be appraised as a total or "substantially total" loss, and the grower may obtain permission to put the land to other use and any appraised production counted as actual production. If the damage is not total or substantially total, adjustment of the loss will not be made until harvest when the actual yield can be determined. At harvest time the insured will be expected to harvest if growers generally are harvesting wheat similar to his. However, if farmers generally are not harvesting such wheat the insured need not harvest his, and only salvageable production will be counted as production.

QUESTION 2: Can a grower insure more than one year's crop?

ANSWER: At the time the grower pays his premium on his 1940 crop he may also deposit with the Corporation an amount equal to his 1940 premium to be applied as premium on his 1941 crop should he desire to be insured, and should the Corporation accept his application for 1941.

QUESTION 3: Why does the price of premium wheat or indemnity wheat as computed by the Corporation for a local station sometimes vary from the local price for the same class and grade of wheat?

ANSWER: The Corporation computes the grower's local price as of a given date on the basis of the average price of the same class and grade of wheat as designated for the insured's farm at the basic market, and arrives at the normal local price by deducting the cost of freight and handling charges, or price differentials, between the grower's local station and the basic market. The local price paid for wheat, however, may vary from the normal price because of such factors as (a) protein content that is above or below average, (b) wheat that is above or below average quality, and (c) local competitive conditions. The Corporation does not consider protein content either in collecting premiums or in paying indemnities.

QUESTION 4: Why may the producer receive fewer bushels of wheat at the basic market than called for in his statement in proof of loss?

ANSWER: If the grower receives an indemnity in wheat at his local station, he receives the same number of bushels as stated in his proof of loss. However, if he receives wheat at a basic market, such wheat is worth more per bushel because the freight and handling differentials have been paid on it. Consequently it takes fewer bushels at the basic market to give the grower the same equivalent in value of his indemnity. The grower gets the same value whether he receives wheat at his local station or at a basic market, although the number of bushels may vary at each point.

QUESTION 5: If the producer receives an indemnity in the cash equivalent, what date will be used in determining this cash equivalent?

ANSWER: The market price, as determined by the Corporation, for the day the claim for indemnity is approved for payment by the Corporation.

ONE MILLION BUSHELS TO THE GOOD!

By September 1, 2,240 indemnity payments had been sent to Texas wheat growers representing nearly 1 million bushels of wheat. Figures on some of the counties of the State which suffered the most severe losses are as follows: In Briscoe County, 120 growers received the cash equivalent of \$49,331; approximately \$35,000 went to 94 Hale County growers; \$33,397 went to Floyd County growers; and \$21,170 went to 150 growers in Young County. Jess Watson, a member of the State ACP committee, predicts a sizeable increase in the number of insured wheat crops in Texas for 1940.

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MICHIGANDERS INDEMNIFIED

As an indication of how indemnity payments are stacking up in Michigan, a few cases are cited below which were picked at random from the Michigan State office files by the ACP committee of that State:

George J. Crowe of Shiawassee County sowed 11.7 acres of wheat last fall and insured it to produce 194 bushels. Fall drought and winter-kill cut his yield to 12 bushels, the indemnity amounting to 182 bushels of wheat, or \$128.13. Mr. Crowe's premium was 6 bushels or \$3.32.

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George O. Smith of Eaton County insured his 8.9 acres of wheat to produce three-fourths of a normal crop which amounted to 179 bushels at a cost of 4 bushels and 25 pounds of wheat or the cash equivalent of \$2.39. Fall drought reduced his yield to the extent that his indemnity amounted to 143 bushels, or \$100.67.

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Ralph Bowns of Saginaw County paid a premium of 2 bushels of wheat or \$1.28 to insure 6 acres for a production of 71 bushels. Fall drought and winter-kill cut his total production to 16 bushels. He collected from the FCIC 55 bushels, or the cash equivalent of \$36.13.

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Earl Hackett of Branch County sowed 6.4 acres of wheat last fall and insured it to produce 74 bushels. Winter-kill and Hessian flies reduced his total yield to 12 bushels. Mr. Hackett got an indemnity of 62 bushels or \$37.76 under his policy which cost him only 3 bushels and 20 pounds of wheat, the cash equivalent of \$1.88.

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Roland Jorse of Clinton County seeded 13.6 acres and insured for 75 percent of a normal yield which amounted to 270 bushels. Because of a partial crop failure, he got an indemnity payment of 158 bushels, or \$84.37. This protection cost him 7 bushels and 30 pounds of wheat, or \$4.27.

"WORLD WHEAT SUPPLY

LARGEST IN HISTORY"

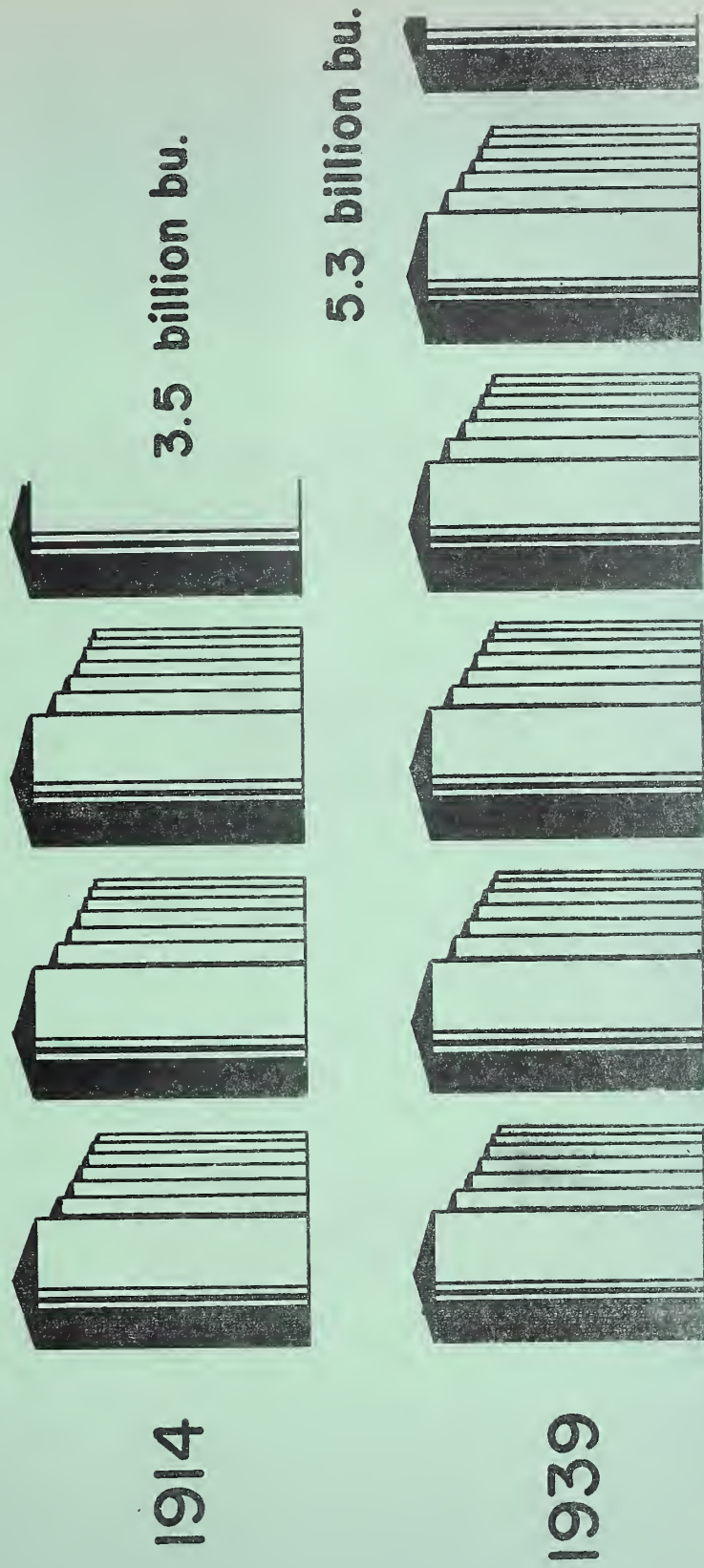
In connection with the two charts shown following this page, it is pointed out that the maximum production which may be insured on any farm is limited to the insurable production from the allotted acreage for such farm. Wheat raised on acreage that is in excess of the farm allotment will be counted as production in computing any indemnity due the grower under his insurance contract. Thus, even though wheat growers are not required to comply with the agricultural conservation programs to be eligible for crop insurance, it is definitely to their advantage to do so.

To further the significance of these charts and for the general information of crop insurance workers the following facts are given:

1. Present world supplies of wheat are about 55 percent larger than in 1914 with world consumption only about 30 percent larger.
2. Wheat-acreage allotments for 1940 are larger than the acreage harvested in any year from 1914 to 1918. There is little prospect of a reduction in world wheat acreage for harvest next year.
3. In 1914 there was a small crop of wheat in Canada and Australia. Wheat prices advanced during the fall and winter months, but declined prior to marketing of the 1915 crop. The average prices for the 1915 crop were slightly smaller than those received for the 1914 crop.
4. Wheat consumption in the warring nations declined from 1914 through the duration of the war. World shipments during this period also declined. There is little prospect of an increase in world shipments next year.

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WORLD WHEAT SUPPLY LARGEST IN HISTORY



EACH SYMBOL REPRESENTS 1,000,000,000 BUSHELS

U.S. WHEAT ACREAGE

